



Memorandum

TO: Michigan Legislators
FROM: Tony Daunt – Executive Director
DATE: March 20, 2018
RE: Support for House Bill 5194

The Michigan Freedom Fund fully supports House Bill 5194.

Reforms approved by the legislature and signed by Governor Snyder at the end of 2016 reinforced Michigan's highly regulated energy market, further cementing the status of monopoly incumbent utilities.

In the absence of a true free market for electricity, and recognizing the significant financial benefits granted Michigan's monopoly electric companies by the state government, it is essential lawmakers exercise their oversight and regulatory abilities to prevent – to whatever degree possible – those monopoly utilities from gouging Michigan ratepayers.

Profit margins for Michigan utilities consistently exceed the national average. Because customers are prohibited by state law from shopping around for a lower cost alternative, the utilities have been free to raid ratepayers' pocketbooks without consequence.

House Bill 5194 would strike an important blow to rein in monopoly utility profits, and protect Michigan ratepayers.

We are grateful for Representative Glenn's thoughtful leadership and his sponsorship of this measure on behalf of Michigan families and job makers.